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C O N F I D E N T I A L SECTION 01 OF 02 CAIRO 006877

SIPDIS

E.O. 12958: DECL: 09/06/2015

TAGS: [OVIP](#) [PREL](#) [PGOV](#) [EG](#) [IS](#) [KPAL](#) [KWBG](#) [IZ](#) [OREP](#)

SUBJECT: VISIT OF CODEL DAVIS TO EGYPT, SEPTEMBER 2-5:

MEETING WITH PRIME MINISTER NAZIF

Classified by DCM Stuart E. Jones for reasons 1.4 (b) and (d).

Summary

11. (C) Prime Minister Nazif told visiting members of Congress that Egypt's September 7 presidential elections represent major milestone in Egypt's democratic development. He said that the GOE could not overrule the independent electoral commission's decision to bar outside observers from the polls. Nazif highlighted Egypt's economic reforms and pressed for a rapid start to free trade agreement negotiations. He urged that Israel's withdrawal from Gaza be followed with substantial material help for the Palestinians and pressed for Iraq's Sunnis to be given "another chance" to join the democratic process. End summary.

12. (U) House Government Reform Committee Chairman Tom Davis (R-VA) met Prime Minister Ahmed Nazif at the latter's Smart Village office on September 4. Chairman Davis was accompanied by Rep. Darrell Issa (R-CA), Rep. Al Wynn (D-MD), Rep. Steve Chabot (R-OH), Rep. Carolyn Maloney (D-NY), and Rep. Kendrick Meek (D-FL), the Ambassador, the DCM, Congressional staffers John Cuaderes, Ron Martinson, and Frederick Hill, and ECPO notetaker. Attending the meeting on the Egyptian side were Trade and Industry Minister Rachid Rachid, Nazif Chief of Staff Sami Saad Zaghoul, Spokesman Magdy Rady and Assistant Minister of Foreign Affairs for the Americas Ambassador Aly Hefny.

Economics and Assistance

13. (SBU) The meeting opened with mutual expressions of condolence, with Nazif offering assistance in the wake of Hurricane Katrina and members of the CODEL presenting a copy of the House resolution condemning the July 23 terror attack in Sharm el Sheikh. Nazif highlighted his 14-month-old government's economic reform efforts, specifically pointing to corporate tax cuts, new customs rules and a more investor-friendly bureaucracy. He noted that the U.S. is Egypt's most important trade partner, and pressed hard for announcement of free trade agreement (FTA) negotiations to deepen the commercial relationship. Nazif dismissed criticism of U.S. assistance. He made a particularly strong push for continued military assistance, arguing that such aid is "essential for stability, confidence, and to combat terror."

14. (SBU) Minister of Trade and Industry Rachid added that an FTA would both reinforce the GOE's reform efforts and draw foreign investment. While recognizing how difficult it had been to get Congressional approval of CAFTA, Rachid said that he had gotten strong statements of support for an Egypt FTA from USTR Portman and other Administration officials during his recent visit to Washington. He pressed for the Administration to let Congress know within two months of its intention to start FTA negotiations. Rachid also noted that 450 Egyptian companies were benefitting from the Qualifying Industrial Zones (QIZ) agreement with Israel.

Regional Issues

15. (C) It is important, Nazif said, that Palestinians understand that Israel's withdrawal from Gaza is the start of a process, not the end of one. After noting the efforts Egypt had made to facilitate Israel's withdrawal, Nazif emphasized that Gazans must see material benefits from the withdrawal, particularly economic benefits, to give Palestinians a stake in the process.

16. (C) Nazif described Iraq as "a chicken and egg problem:" security is needed for democracy to take root, but only if the democratic experiment succeeds will those who are currently causing instability be persuaded to forego violence. Nazif warned that Iraq could "disintegrate," and urged the USG to be inclusive and give the Sunnis another chance to join the political process. Rep. Issa argued that previous Egyptian promises to be helpful on Iraq had not led anywhere and he pressed the GOE to urge other Arab leaders to offer concrete help during the upcoming U.N. meeting on Iraq.

Democracy

17. (C) Nazif called the CODEL's attention to "big changes" on Egypt's domestic political scene. He noted that this is the first time Egypt's president has ever been in a multi-candidate race and argued that all candidates are getting equal time in state media. He described the presidential election as Egypt's first step towards democracy, not its last, and said that Egypt needed to get more political parties and more women into parliament. Most importantly, Nazif added, Egypt wants a peaceful and stable democratic transition.

18. (C) Rep. Issa expressed strong concern that the GOE's resistance to independent election observers was interfering with what was otherwise an important democratic step forward and urged the GOE leadership to speak out publicly in support of independent observers. Nazif replied that he himself favored observers, as did many in the government, but he claimed that Egypt's judges feared observers would interfere with the judges' role as guarantors of a free ballot. He also deflected blame towards the Presidential Election Commission (PEC), which was blocking observer access to polling places. Nazif claimed that the PEC was independent and could not be overruled. The GOE, he said, was doing everything in its authority to assist observers, ordering the Ministry of Information to disseminate widely information on the location of polling places and the Ministry of Interior (responsible for security at the polls) to permit observers to come as close to the polls as the PEC will allow.

Women's Rights and Credit Where It's Due

19. (SBU) Rep. Maloney called Nazif's attention to press reporting of a murder case in which a judge overturned an appropriately harsh sentence and sentenced a man who murdered his wife to only three years in prison. She noted that an effective legal system was essential to attract foreign investment and that reporting on the case raised questions about the system's integrity. Nazif admitted that he was not familiar with the specific case cited but promised to look into it.

110. (SBU) Rep. Chabot recalled that, during a visit to Egypt with Representative Wexler at the beginning of the year, he had asked the GOE for three things: an active Egyptian role in the peace process, return of the Egyptian ambassador to Israel, and competitive elections. He expressed satisfaction that the GOE had replied positively on all three steps. Rep. Wynn added that the CODEL members had discussed starting an Egypt caucus in the House, a proposal which drew a very positive response from Nazif.

111. (U) CODEL Davis did not have an opportunity to clear this message before departing Cairo.

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